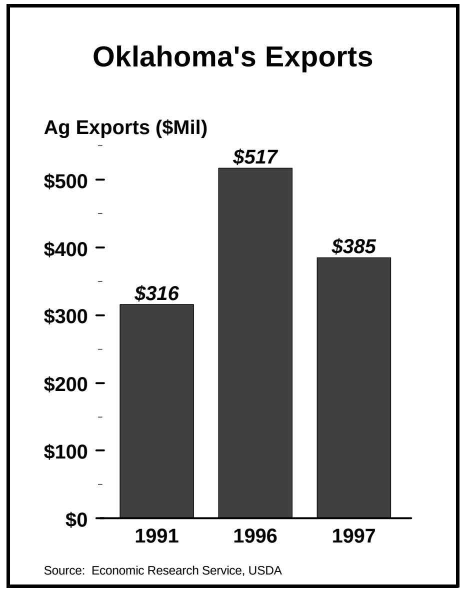
WTO and Agriculture

What's at Stake for Oklahoma?

Oklahoma is an important producer of agricultural goods that are exported worldwide. In 1997, the state's exports reached an estimated $385 million, up from $316 million in 1991. These exports help boost farm prices and income, while supporting about 5,000 jobs both on the farm and off the farm in food processing, transportation and manufacturing. Exports are important to Oklahoma's agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports ranged from 8% to 15% since 1991.

The top five agricultural exports in 1997 were:

- wheat and products -- $163 million
- poultry and products -- $56 million
- feed grains and products -- $46 million
- soybeans and products -- $29 million
- live animals and red meats -- $19 million



World demand for these products is increasing, but so is competition among suppliers. If Oklahoma's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

Oklahoma Producers Benefit from Trade Agreements

Oklahoma is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for Oklahoma include:

- Oklahoma, a large producer of wheat, benefits under the Uruguay Round from a 33% reduction in the quantity of EU wheat receiving export subsidies by 2000. Japan is expanding its 5,530,000 ton tariff-rate quota by 35,000 tons annually from 1995 to 2000.

- With more than half of its farm receipts coming from cattle, Oklahoma benefits from the Uruguay Round with a 38% reduction in the quantity of EU beef receiving export subsidies by 2000. Japan is reducing beef tariffs from 50% to 38.5%. Korea will eliminate its beef import quota by 2001 and reduce its tariffs to 40% by 2004. The Philippines is reducing its beef tariff from 60% to 35%. Under NAFTA, Mexico eliminated its 15% tariff on live slaughter animals, its 20% tariff on U.S. chilled beef, and its 25% tariff on frozen product.

- With 8% of its farm receipts coming from broiler production, Oklahoma should benefit under the Uruguay Round as Korea grants unlimited access for frozen chicken at a 20% tariff by 2004. Poland opened market access equal to 8.5% of domestic consumption. The Philippines opened a tariff-rate quota for 14,000 tons of chicken, which will reach 23,500 tons by 2004.